

STATEMENT OF BASIS (AI No. 119267)

for draft Louisiana Pollutant Discharge Elimination System permit No. LA0122441 to discharge to waters of the State of Louisiana.

THE APPLICANT IS: Sabine Pass LNG, LP
Sabine Pass LNG Terminal
717 Texas Avenue, Suite 3100
Houston, Texas 77002

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

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DATE PREPARED: January 12, 2007

1. PERMIT STATUS

A. Reason For Permit Action: Initial issuance of a Louisiana Pollutant Discharge Elimination System (LPDES) permit for a five year term following regulations promulgated at LAC 33:IX.2711/40 CFR 122.46*.

- * In order to ease the transition from NPDES to LPDES permits, dual regulatory references are provided where applicable. The LAC references are the legal references while the 40 CFR references are presented for informational purposes only. In most cases, LAC language is based on and is identical to the 40 CFR language. 40 CFR Parts 401 and 405-471 have been adopted by reference at LAC 33:IX.4903 and will not have dual references. In addition, state standards (LAC 33:IX. Chapter 11) will not have dual references.

LAC 33:IX Citations: Unless otherwise stated, citations to LAC 33:IX refer to promulgated regulations listed at Louisiana Administrative Code, Title 33, Part IX.

40 CFR Citations: Unless otherwise stated, citations to 40 CFR refer to promulgated regulations listed at Title 40, Code of Federal Regulations in accordance with the dates specified at LAC 33:IX.4901, 4903, and 2301.F.

B. NPDES permit - NPDES permit effective date: N/A
NPDES permit expiration date: N/A

* EPA has not retained enforcement authority*

C. LPDES permit - LPDES MSGP permit effective date: May 1, 2006
LPDES MSGP permit expiration date: April 30, 2011

D. Date Application Received: April 12, 2006. Additional information received on October 24, 2006, November 8, 2006, and January 4, 2007.

2. FACILITY INFORMATION

A. FACILITY TYPE/ACTIVITY - liquefied natural gas (LNG) terminal

According to the application, the terminal receives LNG by ship. The LNG is stored in three 7,481,000,000 gallon tanks (1 billion cubic ft). The LNG is regassified in one or more vaporizers (heat exchangers) prior to transmission through a pipeline.

The discharges from this site include discharges of treated sanitary wastewater, storm water, and SCV process wastewater.

B. FEE RATE

1. Fee Rating Facility Type: minor
2. Complexity Type: I
3. Wastewater Type: II
4. SIC code: 4925

C. LOCATION – 9243 Gulf Beach Highway, Cameron Parish Latitude 29°45'49", Longitude 93°51'58"

3. OUTFALL INFORMATION

Outfall 001

Discharge Type: the combined effluents from Internal Outfall 101 (treated sanitary wastewater) and storm water runoff.

Treatment: none

Location: at the point of discharge from east of the shoreline along the facility's southern property boundary line prior to mixing with other waters (Latitude 29°44'28.7", Longitude 93°52'1.4").

Flow: Estimated flow of 1,800 GPD.

Discharge Route: from the outfall located at the southern property boundary line of the facility to an unnamed drainage ditch, thence to an unnamed marshland area, and thence to Sabine Pass.

Internal Outfall 101

Discharge Type: the discharge of treated sanitary wastewater

Treatment: aerobic treatment system with chlorination

Location: at the point of discharge from the sanitary treatment plant, prior to discharging into Final Outfall 001 at Latitude 29°75'28", Longitude 93°86'59".

Flow: Estimated flow of 1,800 GPD.

Discharge Route: from the outfall at the point of discharge from the sanitary treatment facility prior to combining with the waters of Final Outfall 001.

Outfall 002

Discharge Type: the combined discharge of SCV process wastewater and storm water

Treatment: the water produced as a by-product of the combustion of natural gas is neutralized to a pH between 6.5 and 7.5 S.U. using a caustic (NaOH) solution.

Location: on the western property boundary line of the facility prior to mixing with other waters (Latitude 29°44'58", Longitude 93°52'36.8").

Flow: estimated flow of 432,000 GPD

Discharge Route: from the outfall located at the western property boundary line of the facility to an unnamed drainage ditch and thence to the Sabine Pass.

4. RECEIVING WATERS

STREAM – Sabine Pass

BASIN AND SEGMENT – Sabine River Basin, Segment 110304

DESIGNATED USES - a. primary contact recreation
b. secondary contact recreation
c. propagation of fish and wildlife
e. oyster propagation

5. ADDITIONAL CONSIDERATIONS REQUESTED BY SABINE PASS LNG, LP

Sabine Pass LNG, LP has requested removal of two storm water outfalls from the permit due to Louisiana Administrative Code regulations that govern storm water discharges. Based on the final amendments to the 2006 Oil and Gas Storm Water Final Rule Questions & Answers (Q&A No. 12), storm water discharges from this LNG facility will not be exempt for storm water. LDEQ will not include additional storm water outfalls in part I of the permit; however, Sabine Pass is required to prepare and implement a Storm Water Pollution Prevention Plan and comply with the Part II storm water requirements.

6. PROPOSED EFFLUENT LIMITS

Outfall 001 - the combined effluents from Internal Outfall 101 (treated sanitary wastewater) and storm water runoff

Parameter	Daily Maximum	Frequency	Sample type	Regulatory Basis
Flow	Report	1/quarter	Estimate	LAC 33:IX.2707.I.1.b
TOC	50 mg/L	1/quarter	Grab	BPJ; permitted facilities with similar operations; current storm water guidance
Oil & Grease	15 mg/L	1/quarter	Grab	BPJ; permitted facilities with similar operations; current storm water guidance
pH	6.0-9.0 S.U.	1/quarter	Grab	LAC33:IX.1113.C.1

Treatment: none

Monitoring Frequency: a monitoring frequency of 1/quarter has been established for all parameters. This is consistent with permitted facilities with similar operations and current storm water guidance.

Internal Outfall 101 - treated sanitary wastewater

Parameter	Weekly Average	Frequency	Sample type	Regulatory Basis
Flow	Report	1/ 6 months	Estimate	LAC 33:IX.2707.I.1.b
BOD ₅	45 mg/L	1/ 6 months	Grab	BPJ; permitted facilities with similar operations; Sanitary General Permit
TSS	45 mg/L	1/ 6 months	Grab	BPJ; permitted facilities with similar operations; Sanitary General Permit
Fecal Coliform	43 colonies per 100 ml	1/ 6 months	Grab	BPJ; permitted facilities with similar operations; Sanitary General Permit

Treatment: aerobic treatment and disinfection (chlorine)

Monitoring Frequency: a monitoring frequency of 1/6 months has been established for all parameters. This is consistent with permitted facilities with similar operations and the LPDES Class I Sanitary General Permit, LAG530000.

Outfall 002 - the discharge of SCV process wastewater and storm water

Parameter	Daily Maximum	Frequency	Sample Type	Regulatory Basis
Flow	Report	1/month	Estimate	LAC 33:IX.2707.1.1.b
TOC	50 mg/L	1/month	Grab	BPJ; permitted facilities with similar operations
Oil & Grease	15 mg/L	1/month	Grab	BPJ; permitted facilities with similar operations
TSS	45 mg/L	1/month	Grab	BPJ; permitted facilities with similar operations
Visible Sheen	No Presence	1/day	Grab	BPJ; permitted facilities with similar operations
pH	6.0-9.0 S.U.	1/month	Grab	LAC33:IX.1113.C.1

Treatment: The water produced as a by-product of the combustion of natural gas is neutralized to a pH between 6.5 and 7.5 S.U. using a caustic (NaOH) solution.

Monitoring Frequency: Flow, TOC, Oil & Grease, TSS, and pH have monitoring frequencies established at 1/month based on best professional judgment and permitted facilities with similar operations. Visible Sheen monitoring is established at 1/day based on best professional judgment and permitted facilities with similar operations.

7. COMPLIANCE HISTORY/COMMENTS

A. Compliance History

There are no open enforcement actions on Sabine Pass LNG, LP, Sabine Pass LNG Terminal

B. Inspections

No inspections have been conducted.

C. DMR Review/Excursions

Initial permit; no DMRS submitted

8. "IT" QUESTIONS - APPLICANT'S RESPONSES

The "IT" questions along with the applicant's responses are located in the permit application of Section 7. See Appendix A.

9. ENDANGERED SPECIES

The receiving waterbody, Subsegment 110304 of the Sabine River Basin is not listed in Section II.2 of the Implementation Strategy as requiring consultation with the U.S. Fish and Wildlife Service (FWS). This strategy was submitted with a letter dated September 29, 2006 from Watson (FWS) to Brown (LDEQ). Therefore, in accordance with the Memorandum of Understanding between the LDEQ and the FWS, no further informal (Section 7, Endangered Species Act) consultation is required. It was determined that the issuance of the LPDES permit is not likely to have an adverse effect on any endangered or candidate species or the critical

habitat. The effluent limitations established in the permit ensure protection of aquatic life and maintenance of the receiving water as aquatic habitat.

10. HISTORIC SITES

The discharge is from a new facility. The site has been impacted previously by dredge material placement, dewatering structures, oil and gas operations, and levee construction. Total acreage of this site is approximately 996 acres. There should be no potential effect to sites or properties on or eligible for listing on the National Register of Historic Places, and in accordance with the "Memorandum of Understanding for the Protection of Historic Properties in Louisiana Regarding LPDES Permits" no consultation with the Louisiana State Historic Preservation Officer is required.

11. TENTATIVE DETERMINATION

On the basis of preliminary staff review, the Department of Environmental Quality has made a tentative determination to permit the discharges described in the application.

12. PUBLIC NOTICES

Upon publication of the public notice, a public comment period shall begin on the date of publication and last for at least 30 days thereafter. During this period, any interested persons may submit written comments on the draft permit and may request a public hearing to clarify issues involved in the permit decision at this Office's address on the first page of the statement of basis. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing.

Public notice published in:

Local newspaper of general circulation

Office of Environmental Services Public Notice Mailing List

13. STORM WATER POLLUTION PREVENTION PLAN (SWP3) REQUIREMENT

The SWP3 shall be prepared, implemented, and maintained within six (6) months of the effective date of the final permit. The plan should identify potential sources of storm water pollution and ensure the implementation of practices to prevent and reduce pollutants in storm water discharges associated with industrial activity at the facility (see narrative requirements for the AI).

14. 303(d) WATERBODY IMPAIRMENTS

Outfalls 001, 101, and 002 include discharges of storm water runoff and treated sanitary wastewater, sanitary wastewater (internal), and combined SCV process wastewater and storm water to an unnamed drainage ditch, thence into the Sabine Pass, Subsegment 110304. No impairments are listed for this subsegment.